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ECONOMIC INTELLIGENCE COMMITTEE

Control No. 491049
EIC-M-80
24 June 1959

Minutes of Meeting Held in
Room 1121, Temporary M Building
26th and Constitution Avenue, N. W.

1000 hours, 24 June

PRESENT:

25X1A9a Dr. Otto E. Guthe, Chairman
[REDACTED] Jr., Vice Chairman
Mr. Bennett V. S. Davis, Department of the Navy
Mr. John W. Easton, Joint Staff
Mr. Kingsley W. Hamilton, Department of the Air Force
Mr. J. Duncan Holmes, Department of the Army
Dr. Norris G. Kenny, Office of the Secretary of Defense
Mr. Edwin F. Jones, Department of State
Mr. Edward R. Van Sant, Office of the Secretary of Defense
Commander Thomas W. Walsh, Department of the Navy
25X9A8 Mrs. Doris Whitnack, Department of State
[REDACTED] National Security Agency
25X1A9a *Mr. Carney G. Laslie, Jr., Department of Commerce
25X1A9a *Mr. George H. White, Department of Commerce
25X1A9a [REDACTED] Central Intelligence Agency
25X1A9a [REDACTED] Central Intelligence Agency
25X1A9a [REDACTED] Central Intelligence Agency
25X1A9a [REDACTED] Central Intelligence Agency
25X1A9a [REDACTED] Central Intelligence Agency
25X1A9a [REDACTED] Central Intelligence Agency
25X1A9a [REDACTED] EIC/S
[REDACTED] Executive Secretary
**Jerome Forrest, International Cooperation Administration

APPROVAL OF MINUTES:

1. The Minutes of the EIC Meeting of 11 February 1959 (EIC-M-79) were approved.

* Present during part of meeting.

* * Inadvertently omitted from listing.

EIC-M-80
24 June 1959

ANNOUNCEMENTS:

2. The Chairman introduced Commander Thomas W. Walsh, USN, the newly designated Navy representative to the EIC, vice Commander Charles B. Brouillette, who has been assigned other duties.

3. Mrs. Doris Whitnack, who has replaced Mr. Robert P. Terrill, was introduced as the State Department Member on the EIC.

4. The Chairman announced that he had been unofficially notified that Air Force had designated Colonel Robert P. Bliss as their Representative to the EIC.

5. The Chairman announced that the Secretariat would prepare a draft EIC Annual Report to the USIB and that the draft report would be put before the Committee for its approval sometime in July. Members were asked to get in touch with the Secretariat as soon as possible should they have specific suggestions regarding the contents of the Annual Report.

CONSIDERATION OF "A SUMMARY OF THE INTERNATIONAL TRADE AND TRANSPORT OF COMMUNIST CHINA, 1957-58"

6. Discussion: The draft report on "A Summary of International Trade and Transport of Communist China, 1957-58" was reviewed. The Chairman gave a brief background of the summary report, stating that it had been prepared in accordance with the recommendations of the EIC as approved by the IAC (IAC-M-348, 17 June 1958).

7. Action: The EIC approved the Summary after some modification, and authorized the Secretariat to incorporate the revisions which had been agreed to and to make editorial changes as required.

8. Action: The designation of the summary paper was changed from EIC-R1-S7 to EIC-R16 to distinguish it from the earlier reports on the subject of China's Trade and Transport since this report is a replacement for, rather than a continuation of, the R1 Series.

9. Action: The Chairman recommended and the members agreed, subject to Department of the Navy concurrence, that the report be released [REDACTED] /Navy subsequently concurred on 29 June 1959./

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EIC-M-80
24 June 1959

DISCUSSION WITH RESPECT TO FUTURE PROCEDURES FOR REPORTING ON CHINA
TRADE AND TRANSPORT:

10. Discussion: The Chairman and the Vice Chairman expressed their view that the updating of this Summary Report could be dispensed with next year in view of the success of the EIC program for review of individual agency reports by the subcommittees; and because of the large number of man-hours required to produce the report does not seem justified in light of other intelligence being prepared on significant aspects of the subject. Comments were invited and discussion followed.

11. Action: It was agreed that the Summary Report on China's Trade and Transport would be updated next year because of its current usefulness to a number of the agencies and departments and their components. It was also agreed that the program of Subcommittee review and approval of the summaries and principal conclusions of reports bearing on Communist China's trade and transport was most useful and should be continued.

12. The Chairman stated that he would report these actions to the USIB in the EIC's Annual Report to the Intelligence Board.

PROPOSAL OF EIC SUBCOMMITTEE ON PETROLEUM FOR PROJECT, "MILITARY
CONSUMPTION OF PETROLEUM PRODUCTS, SINO-SOVIET BLOC, 1958 AND FORECAST
FOR 1959" (EIC-PSC-WP-3):

13. Discussion: The Chairman called attention to a memorandum to the EIC, previously distributed to the members, from the Chairman of the EIC Subcommittee on Petroleum which proposed updating EIC-PSC-WP-2 (Limited Distribution), Military Consumption of Petroleum Products, 1956-57. Discussion followed and the Joint Staff Representative, Mr. Easton, suggested that estimates of civil as well as military petroleum consumption would be useful if incorporated in a single paper. CIA/ORR agreed to investigate the feasibility of incorporating civil consumption estimates into the Working Paper.

14. Action: The proposal for updating the project was approved, including, if possible, the incorporation of estimates of civilian consumption of petroleum products during the same time period. The Chairman commended the Subcommittee for the display of initiative shown in preparing and keeping current this estimate.

EIC-M-80
24 June 1959

ELECTRONICS AND TELECOMMUNICATIONS REQUEST FOR GUIDANCE RELATIVE TO
THE 1960 INTELLIGENCE CONFERENCE ON SOVIET ELECTRONICS:

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15. Discussion: The Chairman stated that, prior to the last conference, the [REDACTED] Electronics Conferences had been largely geared to intelligence on the scientific and technical aspects of Soviet Bloc electronics with but little emphasis on the economic side. The last conference, [REDACTED] was primarily a scientific and technical conference with a final, two-day session dealing with economic intelligence on the Soviet electronics and telecommunications industries. The Conference was very successful in terms of bring the scientific and technical and the economic intelligence communities together on common problems. The Chairman brought to the attention of the members a memorandum from the Electronics & Telecommunications Subcommittee Chairman to the SIC Electronics Subcommittee Chairman, [REDACTED] re- 25X1A9a
garding the next Canadian/US/UK Electronics Conference. Three recommendations for planning future conferences were suggested in paragraph 4 of the memorandum and Dr. Guthe invited the members to comment on these recommendations.

16. Action: The members concurred in the substance of the ETSC's 25X1A9a recommendations contained in the memorandum to [REDACTED] and suggested that the Chairman of the EIC report this endorsement to the Chairman of the SIC. /A copy of Dr. Guthe's letter to the Chairman of the SIC is attached.

NEW BUSINESS:

17. Department of the Army Representative, Mr. J. Duncan Holmes, called attention to the Soviet Exhibit opening in New York soon and asked if any provision had been made for the coordination of intelligence interest in the exhibit.

The Chairman stated that it was his clear understanding that any intelligence exploitation of the fair was to be done under the auspices of the USIB Community, through the Executive Secretary of the USIB Committee on Exchanges. It was agreed that the Secretariat would suggest to the EIC Subcommittee Chairmen that the Subcommittees discuss their mutual interests in this fair and that these interests would be expressed through appropriate domestic collection channels.

[REDACTED]
Executive Secretary

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EIC-M-80
24 June 1959

SECRETARY'S NOTES:

1. The EIC approved, by interim action on 24 June 1959, the proposed Terms of Reference for EIC-R14-S7, "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas, 1 January - 30 June 1959." (EIC-D-376, dated 9 June 1959)

MEMBERSHIP CHANGES:

The following changes should be made in the EIC Directory of Personnel (EIC-D-322/1, dated June 1959):

Page 3, Department of the Navy, delete the name of Commander Charles B. Brouillette and add Commander Thomas W. Walsh, USN.

Page 4, Joint Staff, substitute Colonel Harold E. Cotter, USAF, for Lee C. Miller;
delete Joseph C. Brewer;

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National Security Agency - [REDACTED]
[REDACTED]

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Change the room number for Dr. Norris G. Kenny, OSD, from Room 2A866 to 3D279.

Page 5, FCC, change Mr. Stromberg's room to 7319.

Page 12, ICA, Change Mr. Sweet's office designation to OS/IND.

Page 15, OSD, change Mr. McCaffrey and Mr. Van Sant's room numbers to 3D282.

Page 27, OSD, change Mr. Van Sant's room number to 3D282.

Page 37, Department of Commerce, change G. Harold Keatley's listing to:

Deputy Director, Foreign Service Operations Staff,
Bureau of Foreign Commerce,
Department of Commerce, Room 1859

Page 38, Department of Commerce, change Mr. Robinson's listing to:
Foreign Service Operations Assistant,
Foreign Service Operations Staff,
Bureau of Foreign Commerce,
Department of Commerce,
Room 1865, Commerce Building.

EIC-M-80
24 June 1959

Membership Changes (Contd.)

Commence

Page 44, OSD, change Mr. McCaffrey's room number to 3D282; ~~also~~ delete the word "Acting" from the second line and delete the word "Division", and add "Staff" to the third line.

Page 47, OSD, change Mr. Van Sant's room number to Room 3D282.